



NSW Legislative Assembly Hansard

Local Government Amendment (Stormwater) Bill

Extract from NSW Legislative Assembly Hansard and Papers Tuesday 13 September 2005.

Second Reading

Mr KERRY HICKEY (Cessnock—Minister for Local Government) [8.34 p.m.]: I move:

That this bill be now read a second time.

Rain falling on hard surfaces such as roads and roofs runs off and picks up chemicals, rubbish and soil. This stormwater run-off pollutes our creeks and rivers, and causes flooding. Flooding by urban stormwater in Sydney causes approximately \$70 million in flood damages annually. Up to 5,000 houses and 1,500 businesses in Sydney could be flooded during a major storm. It is also a valuable resource that can be harvested to reduce our need for drinking water. This Government has a clear record in tackling stormwater pollution. We have spent more than \$100 million since 1996 on preventing stormwater pollution under our Urban Stormwater and Blue Mountains Urban Run-off Control Programs. Project funding for these programs has now finished.

This Government has developed new arrangements for stormwater management. These arrangements build on the successful outcomes of the Government's programs to tackle water quality issues associated with urban stormwater. They also capitalise on the recent natural resources management reforms, including the establishment of catchment management authorities. The Government recognises that stormwater now needs to be managed in an integrated manner, to deal with stormwater harvesting and flooding in a broader natural resources management context. The new funding arrangements will allow councils the option to conditionally levy a stormwater management service charge on urban properties outside the rate-pegging limit. At the regional level, catchment management authorities will be in an ideal position to co-ordinate regional initiatives and support councils on stormwater management where urban stormwater is a significant regional issue.

The Local Government Amendment (Stormwater) Bill contains the legislative changes to the Local Government Act that are necessary to allow council to raise a stormwater management service charge. The bill also exempts Department of Housing and Aboriginal Housing Co Ltd properties from the charge. Revenue from the charge will not be included in council's general income, which is subject to rate pegging. To support this bill, the Government is preparing amendments to regulations under this Act. This will be an optional charge. A council that can fund its stormwater management activities from existing revenue sources will not need to raise the charge. It is important that the community has a say in whether a council raises this charge and how the revenue will be spent. Under the Local Government Act, councils are already required to consult with their community about proposed rates and charges. These consultation arrangements would apply to the stormwater management service charge.

It is equally important that the community sees where the funds raised by this charge are spent. Under proposed regulations councils will be required to separately report revenue raised by the charge and the activities funded. Surveys of the community's willingness to pay for stormwater management have found a strong willingness to pay at least \$25 annually for stormwater improvements. The Local Government and Shires Associations have stated that many councillors believe their local communities are willing to pay a small stormwater charge, provided the value for their expenditure is demonstrated locally. The associations believe that there will be widespread council support for levying this charge. Through these surveys, the community has also highlighted its desire for revenue raised to be spent in the local area in a transparent way.

This bill and the proposed regulations reflect these community views, by allowing councils to raise the charge for local expenditure. The proposed regulation will cap the annual stormwater management service charge at \$25 per average residential block. The regulation and the supporting guidelines will require councils to seek the community's support for the charge in open and accountable ways. In particular, councils will need to provide communities with a summary of the activities that council proposes to undertake using income from the charge. Councils seeking to implement the charge must also put a formal community consultation process in place. Councils that impose the charge must report to the community on how the charge was used each year. Specifically the reports to the community must include a statement of income received from the stormwater charge, along with expenditure statements.

This will ensure that revenue from the service charge is transparently allocated to managing stormwater from land subject to the charge, in line with the Local Government Act. Other revenue must be used for managing stormwater from land not subject to the charge, such as public land. Any council using the charge will need to provide the community with a summary of the activities that were funded by the charge during the previous financial year. The consultation process in line with these amendments will include consultation with catchment management authorities [CMAs] on the magnitude of the proposed charge. Consultation with the CMAs will

ensure that projects of regional significance are consistent with the CMAs catchment action plans.

The CMAs' stormwater role is expected to relate to regional planning and project management of regionally significant programs, similar to the current role of the Upper Parramatta River Catchment Trust. The stormwater-related responsibilities of the CMAs are likely to include the preparation of a catchment action plan, in consultation with councils and State Government. In metropolitan areas the catchment action plan is likely to include stormwater management objectives, plans and programs that build on the stormwater management plans already prepared by councils. This stormwater link will provide co-ordination across councils for stormwater management projects and provide support for council staff. It can build on the experience gained by the stormwater extension officers hosted by regional councils or groups of councils, and funded by the Stormwater Trust.

The proposed regulations will specify the maximum stormwater charge that can be applied to commercial property, as a flat limit of \$25 for business properties is not appropriate. Most stormwater problems are directly related to the area of hard surfaces water runs off that flow into the stormwater system, for example roads, roofs and paved areas. As there is a considerable range in the area of hard surfaces of commercial properties, councils' stormwater management costs per property are more variable than for a residential block. An area-based pro rata approach to capping the business charge will be included in the regulations, which means that the charge for an average-sized business property would be capped at \$100. Councils may adopt alternate charging mechanisms that encourage business landowners to reduce the amount of stormwater from their land.

The charge levied using this alternate method would be lower than the capped amount proposed in the regulation. Options for this form of charging mechanism would be described in the guidelines that will be developed to assist councils and communities. Councils considering using this charge should be aware that both the community and the Government will monitor their performance closely. The proposed regulations will also prevent a council from applying the charge where they already have a stormwater-related environmental levy or a drainage charge in place. The rigorous requirements that will be developed under the proposed regulations will ensure that the community's interests are protected. This bill provides the foundation for sustainable stormwater management in urban areas by giving councils the option to raise additional revenue for stormwater management to help fix stormwater problems.

This will help to improve the health of our rivers, reduce flooding and promote the harvesting and reuse of stormwater to reduce our demand on drinking water supplies. The stormwater service charge could raise up to \$1 million annually for an average metropolitan council. As an example, this could enable a council to build three constructed wetlands to improve stormwater quality or three stormwater harvesting schemes to irrigate a park or stop dozens of houses from being flooded. The proposed amendment lays a firm foundation for stormwater management into the future. The bill and the proposed regulations will help improve the health of our rivers, harvest stormwater to reduce our demand for drinking water, help reduce flooding and fix ageing stormwater drains. It does this in a way designed to maximise community support. This is a sensible and appropriate approach that will provide the keystone to the effective management of urban stormwater. I commend the bill to the House.